NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE V.5

PAID UP OIL AND GAS LEASE (No Surface Use)

(1 to Builder Osc)		
THIS LEASE AGREEMENT is made this 15 day of Grylen, ber	2008, by and between	
whose addresss is	as Lessor,	
hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee. 1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively described land, hereinafter called leased premises:		
197 ACRES OF LAND, MORE OR LESS, BEING LOT(S) 234 BLOCK,		
OUT OF THE ADDITION, AN ADDITION TO THAT CERTAIN PL	O THE CITY OF	
IN VOLUME 388-74 PAGE 547 OF THE PLAT RECORDS OF TARRANT COUNTY	ry, texas	
in the County of <u>Tarrant</u> , State of TEXAS, containing of gross acres, more or less (including any interests therein which Lessor may hereaft prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parceis of owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash be execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the amount of any shul-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.	nydrocarbon substances er commercial gases, as of land now or hereafter ionus. Lessor agrees to	

- 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Five (5) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.
- 3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be <u>Twenty-Five (25%)</u> of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be Twenty-Five (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either purchases nereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shuting or production there from is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production there from is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production there from is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render. Lessee liable for the amount due, but shall not operate to terminate this lesse.

lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to property pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in _at lessor's address above_ or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise beling maintained in force it shall not restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operati

to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the light but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well or pass well or a horizontal completion is hall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel

0. The interest of either Lessor of Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duty authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has eatisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalities to hereunder, Lessee may pay or tender such shut-in royalities to such persons or to their credit in the depository, either jointly or persons are entitled to shut-in royalities hereunder, Lessee may pay or tender such shut-in royalities to such persons or to their credit in the depository, either jointly or apparately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferse to satisfy such obligations with respect to the transferred interest and failure of the transferred. If Lessee (ransfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalites hereunder shall be divided between Lessee and the transferse in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, delivor to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease as on a full C. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the

In accordance with the net acreage interest retained hereunder.

In accordance with the net acreage interest retained hereunder.

10. In exploiting for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unlitzed herewith, in primary analyor enhanced recovery. Leases shall have the right of lagress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the chilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pils, electric and telephone lines, power stations, and other facilities deemed necessary by Leases to discover, produce, store, treat analyor transport production. Lease may use in such operations, free of cost, any oil, gas, water analyor other substances produced on the leased premises of script water from Leaser's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the analitary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Leaser now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lesser has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lesser has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lesser hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its likitres, equipment, and may be requested by calculating the produc

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from any party offering to purchase from expiration of this lease, covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offer. The price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any treach or default by Lesson because of a least 100 days after Lessor has given Lessoe.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is illigated and there is a final hydrological determination that a benefit of the respect to the period of the period there is a final judicial determination that a breach or default has occurred, this lease shall not be forfelled or canceled in whole or in part unless Lessee is given a reasonable

there is a final judicial determination that a breach or default has occurred, this lease shall not be forfelted or canceled in whole or in part unless Lesses is given a reasonable time after said judicial determination to remedy the breach or default and Losses fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lesses) from all or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royally or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this fease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse fiself out of any royalties or shuf-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's life, Lessee may suspend the payment of royalties and shuf-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this leage, Lessee had have any rights to use the surface of the leased premises for drifting or other

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lesse is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

ESSOR (WHETHER ONE OR MORE)	
Dom Wettweek By: Tem Wittrock By:	
By Tem Wittrock By	
ACKNOWLEDGMEN	A,L
STATE OF Texas	
COUNTY OF Tarrant	The whole the
This instrument was acknowledged before me on the <u>15</u> day of <u>spoke</u> 2008, by	: 1600 61 11110CM
	\mathcal{A}
JOE N. SCOTT	- T / 1.54
Notary Public, State of Texas	- TR W. New C
My Commission Expires	Notary Public, State of <u>Texas</u> Notary's name (printed):
February 24, 2010	Notary's commission expires:
Completed Research and Management of the Complete State of the Com	, , , , , , , , , , , , , , , , , , , ,
STATE OF <u>Texas</u>	
COUNTY OF Tarrant	
This instrument was acknowledged before me on theday of, 2008, by	
	Notary Public, State of TOXAS
	Notary's name (printed):
	Notary's commission expires:



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

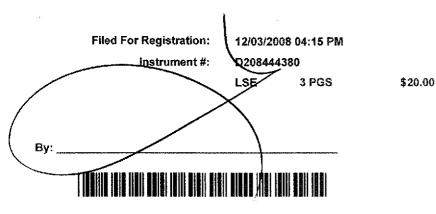
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

DO NOT DESTROY WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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